

Minutes of the meeting of the CABINET held on MONDAY 12 OCTOBER 2015 at 6.30 pm

**Present:** Councillor Marland (Chair),  
Councillors Clifton, E Gifford, Legg, Long, Middleton, Miles and O'Neill

**Officers:** T Hannam (Corporate Director Resources), D Sharkey (Corporate Director - Place), S Joyner (Strategic Director [Adult Social Care and Health Partnerships]), S Gerrard (Interim Service Director [Legal and Democratic Services]), J Reed (Service Director [Housing and Community]), L Ellen (Head of Housing), R Peck (Head of Customer Service), F Robinson (Senior Planning Officer), P Gibson (Housing Policy and Development Officer), M Smith (Housing Finance Manager) and S Muir (Committee Manager).

**Also Present:** Councillors Bald, Brackenbury, Dransfield, Exon, D Hopkins, Ganatra, Morris and Webb, C Macdonald (CEO of Milton Keynes Development Partnership) and circa 50 Members of the Public.

**C50 CABINET ANNOUNCEMENTS**

Councillor Marland announced that Councillor Betteley had decided to resign from the Cabinet with effect from 12 October 2015 due to a change in her family circumstances. Clarification of the Cabinet portfolios following this would be announced in due course. Councillor Marland indicated that Councillor Betteley would be resigning as Chair of the Joint Negotiating Committee (Employer's Side) and Councillor Middleton would be nominated as Chair of that Committee.

Councillor Middleton announced that, at the Institute of Revenues, Rating and Valuation (IRRV) Performance Awards 2015 held on 7 October 2015, the Council had won the Gold Award for "Excellence in Innovation" category for ConnectMK, the Council's Digital Engagement Service which was part of Revenues and Benefits Service. Following a successful funding bid to the Local Government Association, the team had developed a programme where 50 "Digital Champions" were trained for free via an online platform and they provide free training to MK citizens to get online.

Councillor O'Neill announced, with reference to RegenerationMK, that following the conclusion of the competitive dialogue procedure and the submission of the final tender, that the Council and Mears Group plc were jointly seeking to finalise the terms of the proposed partnership arrangement. This would enable both parties to make proposals for the Cabinet and Mears Group PLC to enter into a joint venture to deliver a range of activities in accordance with the tender opportunity.

**C51**

**MINUTES**

RESOLVED -

That the Minutes of the meeting of the Cabinet held on 12 September 2015, be approved and signed by the Chair as a correct record.

**C52**

**DISCLOSURES OF INTEREST**

None Disclosed

**C53**

**QUESTIONS FROM MEMBERS OF THE PUBLIC**

- (a) Question from Ms J Faul to Councillor Clifton (Cabinet Member for Growth and Inward Investment)

In response to a question from Miss Jo Faul who asked when would Milton Keynes Council downgrade the A5130 through Woburn Sands and introduce a 7.5 Tonne lorry ban in order to relieve the local community from the excessive noise, intense vibration from passing lorries, damage and environmental degradation, Councillor Clifton (Cabinet Member for Growth and Inward Investment) indicated that the Council had undertaken comprehensive surveys of HGV movements earlier this year, which had looked at the volumes and routing (origin and destination) of all vehicles crossing the railway line through Woburn Sands. The results, which had been presented to local residents illustrated that the volume of HGVs was not excessive, with the largest of HGVs being very low. This was also evident in the information submitted by Ms Faul which showed that HGVs had reduced over the 10 year period (total HGV 2.6% in 2000, 1.2% in 2013).

Councillor Clifton added that when considering re-routing HGVs, it was noted that the majority vehicles had a very local origin or destination, therefore a restriction (ban) based on 'access only' would not necessarily produce a significant reduction. Following the surveys and initial analysis, officer colleagues would interrogate the data in more detail to consider whether more appropriate time restrictions or targeted advisory signage may assist with reducing the impact. Councillor Clifton indicated that the Interim Head of Highways and Transportation was happy to meet with Ms Faul to discuss the helpful detailed secondary analysis she had provided.

Ms Faul asked a supplementary question in respect to a similar weight restriction currently in existence on the A5130 in Broughton village, and asked that the same criteria be applied to Woburn Sands, Councillor Clifton repeated his response and encouraged Ms Faul to meet with the Interim Head of Highways and Transportation to discuss the issues in more detail.

**COUNCILLORS' ITEMS**

At the request of Councillor Webb, the Cabinet considered the traffic issues at the Premier Academy, Saffron Street, Bletchley, which residents felt were out of control and would only be exacerbated if the school intake numbers increased. Councillor Webb asked whether the Cabinet member for Children and School Improvement, together with the Cabinet member for Public Realm, would look again at the impact of the school against pupil intake and also reassure residents with regard to the growing impact of more traffic and parking on local residents.

Three members of the public spoke in support of Councillor Webb's item.

Councillor Miles (Cabinet member for Children and School Improvement) indicated that The Premier Academy was responsible for its own admissions, not Milton Keynes Council. Councillor Miles summarised the recent history of the changes in 2009 from Eaton Mill Primary School to the Premier Academy, and clarified that there had been no formal agreement with the Local Authority to expand the school, and therefore the school did not qualify for Dedicated Schools Grant funding under the criteria agreed by the Schools Forum.

Councillor Miles added that in respect of the recent planning history of the site, the planning authority had actively sought to resist applications to expand the operations of the school due to concerns over the impact of the proposals on the residential amenity of the neighbouring properties, albeit that one such proposal in respect of the new access was allowed at appeal. Where applications had been allowed, these had not related to any attempt to expand the school and had been suitably controlled through condition.

Councillor Marland (Leader of the Council), indicated his disappointment that the relationship between the Academy and local residents had broken down and undertook that he and Councillor Webb would write to the School and the Chair of Governors outlining the concerns of local residents about the school size, and traffic and parking issues.

Councillor Marland also indicated that the Council's Communication Team be asked to assist in preparing an engagement strategy to resolve the relationship between the school and local residents; Councillor O'Neill would be asked to take forward the traffic and parking issues illustrated in the photographs submitted to the Cabinet, with SaferMK and Thames Valley Police, and Councillor Clifton would be asked to take forward the "Walk to School" campaign and road marking issues, with Councillor Webb being the point of contact for all issues.

**COUNCILLOR'S QUESTIONS**

- (a) Planning Application 15/01074/OUT (INTU)

The Cabinet received a written question from Councillor P Williams which expressed concerns that, amongst

other things, in granting the planning application by INTU for Outline planning permission with some matters reserved (appearance, landscaping and scale) for the partial demolition and redevelopment of the Boulevard and Oak Court to provide a range of retail, financial, professional and leisure uses together with public realm and highway works, the Council's Development Control Committee meeting on 3 September 2015 had gone against the Central Milton Keynes (CMK) Neighbourhood Plan, which not only had implications for the CMK Plan, but for all other Neighbourhood Plans.

Councillor Legg (Cabinet member for Public Realm) stated that the Council considered that, overall, Neighbourhood Plans formed a valuable addition to the Development Plan and would continue to support parishes and communities who chose to undertake neighbourhood planning. However, every planning application was considered on its own merits by the Development Control Committee which balanced policies against the planning applications. Councillor Legg offered to meet with representatives from CMK Town Council to discuss the INTU application should they so wish and undertook to provide a written response to Councillor P Williams.

Councillor Marland indicated that several planning applications had been received within the CMK Neighbourhood Plan area that had received no objections from the Town Council and in general the Neighbourhood Plan was working very well.

- (b) Councillor D Hopkins referring to the planned growth in Wavendon village by 3,500 dwellings and in Woburn Sands by over 500 dwellings to accommodate future MK levels of growth, and to a major infrastructure issue in relation to the East West rail crossing point in Woburn Sands; and a recent planning appeal decision at Wain Close which had increased the likelihood of a number of other 'smaller' sites coming forward in both communities under the site allocations process.

Councillor D Hopkins also referred to traffic management issues including that the local road infrastructure failed to be addressed and routes such as Walton Road in Wavendon and the Newport Road/Station Road/High Street (A5130) in Wavendon and Woburn Sands saw continued growth in the levels of traffic with the social, environmental and safety issues that resulted.

Councillor D Hopkins asked that Councillor Clifton (Cabinet member Economic Growth and Inward Investment) commissioned an independent, area wide

traffic management study (perhaps jointly with Central Bedfordshire Council) to report within three months, that looked at the current and future impacts of growth and the resulting increases in the levels of traffic, and that would bring forward a series of practical suggestions to address these issues.

Councillor Clifton indicated that an assessment of the impact of the proposed growth would be undertaken as part of the Local Transport Plan and Plan:MK next year. Before then, should planning applications be submitted, the applicants would need to demonstrate that the transport impacts of their proposals were properly assessed. If a number of applications were made in a location this could present the Council with an opportunity to consider the wider transport implications.

Councillor Clifton also indicated that a new post was being created in the Transport Team to build on the work undertaken on the A421 Pinchpoint scheme and to co-ordinate Highways, Transport and Planning considerations to ensure better joined-up decision making.

Councillor D Hopkins, as a supplementary question, indicated that the infrastructure had not changed for 20 or 30 years despite the increased growth in the area, without consideration of any future levels of growth.

Councillor Marland (Leader) indicated that he had discussed the issue of East / West Rail Link at Woburn Sands, including the ability to accommodate up to 11 trains or more an hour at the crossing point at Woburn Sands, how this would be funded and the impact on residents of Woburn Sands, with Lord Adonis (Chair of National Infrastructure Commission) at a recent meeting of the Local Government Association Resources Board and offered to write a joint letter with Councillor D Hopkins to Lord Adonis and invite him to look at the East /West Rail link and its impact on Milton Keynes.

- (c) Councillor Morris asked Councillor O'Neill, Cabinet member for Housing and Regeneration, when the Homes in Multiple Occupation report would be considered by the Cabinet.

Councillor O'Neill indicated that the draft report would be discussed at the next Housing cross party working meeting, before it was considered by the Cabinet.

Councillor Morris indicated that she was happy to work with the Cabinet on this but would need a deadline to work to.

C56

## **LAKES ESTATE NEIGHBOURHOOD PLAN 2015-26**

The Cabinet considered recommending to Council that Council 'made' the Lakes Estate Neighbourhood Plan 2015-2026 following the referendum held on 17 September 2015.

It was reported that the referendum had returned a majority 'yes' to the question, "do you want Milton Keynes Council to use the neighbourhood plan for the Lakes Estate Area to help it decide planning applications in the neighbourhood area?" and given the 'yes' vote, the Council was now obliged to 'make' the plan.

Councillor Legg, responsible Cabinet member for Public Realm, referring to the substantial majority in favour of adopting the Plan, thanked Councillor Webb, Chair of the Steering group and all involved for their work in producing the Lakes Estate Neighbourhood Plan.

RESOLVED -

1. That the Cabinet recommends that the Council 'makes' the Lakes Estate Neighbourhood Plan 2015-2026 pursuant to the provisions of Section 38(A)(4) of the Planning and Compulsory Purchase Act 2004; and
2. That, subject to the Council's agreement to the making of the Neighbourhood Plan:
  - (a) the decision document (at Annex A to the report) and the Lakes Estate Neighbourhood Plan (at Annex B) be published on the Council's website and in other manners, to bring them to the attention of people who live, work or carry out business in the neighbourhood area; and
  - (b) that the decision document and details on how to view the plan be sent to the qualifying body (Bletchley and Fenny Stratford Town Council) and any person who asks to be notified of the decision; and,
3. That Bletchley and Fenny Stratford Town Council and the Lakes Estate Regeneration Steering Group are congratulated on the successful outcome of the referendum.

C57

## **DOMICILIARY CARE SERVICES HOME CARE PROVISION - OPTIONS FOR THE FUTURE**

The Cabinet received an announcement from Councillor Long in respect of the item being deferred.

RESOLVED -

That consideration of the Domiciliary Care Services Home Care Provision – Options for the future be deferred to a later meeting of the Cabinet.

## MILTON KEYNES DEVELOPMENT PARTNERSHIP QUARTERLY UPDATE

The Cabinet considered the Milton Keynes Development Partnership's October 2014 quarterly update which set out progress achieved on the Milton Keynes Development Partnership's Business Plan and the forecast revenue and capital position for 2015/16 to 2019/20.

The Cabinet noted that the Partnership had to date, exchanged on 8 transactions, had instructed lawyers, and was progressing contracts on a further 12 transactions and was actively negotiating an additional 9 land deals.

It was also reported that the Development Partnership's potential capital receipts from land transactions currently exchanged or where solicitors had been instructed, was over £20m and that the Partnership remained confident of achieving its financial targets for 2018/19.

Councillor Middleton, the responsible Cabinet member, indicated the key transactions that included:

- Granting of a long leasehold to Honda F1 Power; a scheme that would generate circa 65 jobs; and
- Exploring options to encourage the development of grade A office development in Central Milton Keynes (CMK) and seeking to establish a vision for some of the key strategic sites in the Partnership's portfolio including land around the shopping centre, B4, Station Square and the balance of land in Campbell Park.

Councillor Middleton added that strategic development advice continued to be provided to the Council on request, with negotiations concluding on key transactions including the Western Expansion Area, the YMCA and the Agora Shopping Centre.

Councillor Marland (Leader of the Council) indicated that in respect of a current issue about the Buszy, which was situated on land owned by the Partnership and leased to "Make a Difference" as a community facility, the lease arrangements were a matter for those two organisations. In the event that Make a Difference and the Partnership did not reach an agreement about the lease, then the Council was willing to consider transitional funding and help to find alternative accommodation for "Make a Difference" subject to Council protocols, procedures and available budget.

Councillor Marland also indicated that with reference to the development of sites in Milton Keynes, MKDP was a wholly owned subsidiary of the Council with an independent Board and Chair and the sites it chose to include in consultations or to promote were selected on a commercial basis and it was not for the Cabinet to decide.

The Cabinet heard from two members of the public during consideration of the recommendations.

RESOLVED -

1. That the progress against the Business Plan be noted.
2. That the forecast revenue and capital position from 2015/16 to 2019/20 be noted.
3. That Milton Keynes Development Partnership's intention to meet its interest and MK tariff risk share reserve requirements to 2018 and beyond be noted.

**C59**

### **UNIVERSAL CREDIT - DELIVERY PARTNERSHIP AGREEMENT**

The Cabinet considered signing the Delivery Partnership Agreement for Universal Credit (UC) which outlined the main requirements that the Council was expected to deliver, namely:

- Supporting on-line access
- Personal Budgeting Support
- Support for the UC Service Centre for rent / housing costs queries.

It was noted that Universal Credit was the new Department for Work and Pensions (DWP) benefit for those of working age, which replaced six existing benefits. It was also noted that there was no statutory requirement for Milton Keynes Council to help support the delivery of UC but it was in its residents, and its own interests, to do so.

It was also noted that funding of £33,798 would be provided by the DWP (covering the period 16 November 2015 to 31 March 2016) to cover the resources required to provide the support outlined in the Agreement.

The Cabinet considered the alternative options of either doing nothing, which was not recommended as claimants for UC who needed support could suffer a loss in benefits, increased deprivation, greater potential for homelessness and indebtedness and the Council would be at risk of increased Rent and Council Tax arrears as payments would not be passed direct to landlords, but to the claimant.

The option to do the minimum was also not recommended as it would provide a disjointed and unplanned service with a fragmented response to residents which was anticipated would impact heavily on claimants and their families.

Councillor Middleton, Cabinet member for Resources and Commercialism, indicated that the option to agree and sign the Agreement would allow the Council to continue to build on the work undertaken from the cross cutting Universal Credit / Welfare Reform Project to prepare residents, stakeholders and staff for UC, and assist them in managing the impacts of the wider welfare reforms, whilst recognising that it was doing so within the confines of the existing budget pressures. Councillor Middleton also indicated that thought would need to be given as to how any comments and



feedback about UC would be reported back to Government, as there was currently no mechanism for this.

Councillor Middleton also commented that in Pilot schemes, there had been a significant drop in rent payment rates when tenants first migrated to direct payment. Payment rates then improved dramatically over time. There were also potential issues around the lack of financial and computer literacy of claimants which presented the Council and the voluntary and third party sector with a challenge to provide support for residents.

Councillor Long (Cabinet member for Health and Wellbeing) indicated that in addition to assistance with computer technology, advice would also need to be targeted at those with disabilities through organisations such as Mencap, Mind and Milton Keynes Centre for Integrated Living. Councillor Long also indicated that the voluntary sector would be key in assisting with independent advice and support to residents.

Councillor O'Neill (Cabinet member for Housing and Regeneration) reinforced Councillor Middleton's comments with reference to rent collection, and emphasized that the Housing Revenue Account (HRA) was heavily reliant on rent collection and residents needed support in understanding that payment of rent was a priority.

The Cabinet heard from Councillor Bald who, whilst indicating her support for the recommendations in the report, indicated that the Credit Union should also be included in the organisations to be involved and that the proposals should not be put at risk by future decisions such as providing Shared Services with other Councils, which could impact.

The Cabinet also heard from Councillor Morris who indicated her support for the recommendations.

Councillor Marland (Leader) summarised that the recommendations supported the Administration's overarching policy objective of delivering a Cooperative Council and how the delivery of the services with partners could be improved against a rapidly deteriorating financial position. Councillor Marland also recognised the issues with regard to the anticipated impact on collection of rents by both the Council and private landlords.

RESOLVED -

1. That the timescales for Universal Credit and the requirements of the Delivery Partnership Agreement be noted.
2. That it be agreed that the Council signed up to the terms of the Delivery Partnership Agreement and the authority to sign the Delivery Partnership Agreement be delegated to the Director of Strategy, both in terms of the current and future Delivery Partnership Agreements.
3. That the working arrangements of the Council's cross cutting Universal Credit Project, to support the safe landing of Universal Credit in Milton Keynes, be noted.

4. That the historical reduction in Government funding associated with the provision of Housing Benefit, and the funding pressure that this created, be noted.
5. That the risks associated with Universal Credit for the Council be noted.

**C60**

### **A COMMERCIAL PROPOSAL FOR MILTON KEYNES COUNCIL - SHARED SERVICES**

The Cabinet considered a commercial proposal to share services with other councils as part of its requirement to make financial savings of £59m by 2019/20, which included reducing the cost of support services by around 40%, as set out in the Medium Term Financial Strategy.

It was reported that initial discussions with the Local Government Shared Service (LGSS), which was a Joint Committee arrangement between Northamptonshire County Council and Cambridgeshire County Council, had indicated there was likely to be both financial and service related benefits to Milton Keynes in joining LGSS.

In order to progress the possibility of sharing services, authority was required to develop an outline business case for becoming a partner in LGSS and thereby be able to influence the leadership, management and direction of travel for LGSS.

The Cabinet considered the alternative options which included doing nothing, but noted that the required financial savings would need to be achieved from remodelling services in house or through a contractual arrangement. This would potentially create greater risks to services and limit the options.

The option to contract out services would give less flexibility in respect of service delivery as the Council's requirements changed and would be determined by the terms of the contract.

It was reported that an alternative shared service model had been considered but it had not been possible to identify an alternative partner with the appetite to progress a model quickly; and setting up a new model would also take longer than integrating with an existing arrangement.

Councillor Middleton, Cabinet member for Resources and Commercialism, indicated that the Council was under significant pressure to protect and improve services, whilst receiving diminishing resources, and exploring an outline business case for a shared service option with neighbouring Local Authorities was one way of achieving this. Councillor Middleton considered it important to ensure that it had sufficient standing in the new arrangement to shape and develop proposals to achieve the expected benefits whilst safeguarding the quality of current services. The business case would seek the best outcome for Milton Keynes and authority was being sought for officer colleagues to develop this and bring back to Cabinet in January 2016 for further consideration.

Councillor Marland clarified that by Milton Keynes Council joining LGSS, it improved the offer of services that LGSS was trying to achieve to other Councils. However, this Council would have to be completely satisfied that the delivery of services locally would not be adversely affected and be reassured that guarantees around services would be met by LGSS before any further decisions were made.

The Cabinet heard from Councillor Brackenbury who supported the recommendations and requested that a GAP analysis between the services the Council currently offered and the services that would be part of the shared entity, identifying where the Council services exceeded those offered by the shared entity, be undertaken. Councillor Brackenbury also suggested that it was important to clarify whether, when services offered by the shared entity fell short of the level of service offered by the Council, whether the Council would be expected to go to the standard model. Councillor Brackenbury added that he would also like clarification of the influence the Council would have by being on the Board and what the exit strategy would include and asked that these points be included in the outline business case.

The Cabinet heard from Councillor Bald who also supported the recommendations, and the comments from Councillor Brackenbury, and also requested that it be an operational led initiative with finance support and listed some of the services that she would like to see included and safeguarded.

Councillor Morris also supported the recommendations, but sought assurance that Joint Negotiating Committee (JNC) would be made aware of the potential impact on staff and that the Unions had been made aware.

Councillor Marland clarified that all members of staff had the opportunity to attend briefing sessions from the Corporate Management Team and also that it was anticipated that employees of the lead Council in a shared service model would remain employed by that Council.

Councillor Middleton summarised that he had noted the comments from all of the political groups and very much wanted to work on a cross party approach and wished to ensure that all views and safeguards, including a GAP analysis, were included in developing the business case. Councillor Middleton also noted that it was important the JNC, all staff and Unions be up to date with progress.

Councillor Marland summarised that the Council had first-hand experience of different models of delivering services and recognised the importance of including reviews of progress and an exit strategy in the terms that were negotiated.

**RESOLVED –**

1. That the development of an outline business case for an equity partnership in LGSS (the Shared Service operated by

Northamptonshire and Cambridgeshire County Councils) be approved.

2. That the first step activities be authorised, namely devising an outline business case.
3. Councillor comments be noted and included as appropriate in the outline business case.

C61

## **REVENUE AND CAPITAL BUDGET MONITORING REPORT - TO END OF SEPTEMBER 2015**

The Cabinet considered the Revenue and Capital Budget Monitoring Report to the end of September 2015 (Period 6).

It was reported that the forecast outturn position was an estimated overspend of £1.548m, after use of £3.656m of one off resources which was decrease in the overspend of £0.402m since Period 5. The Dedicated Schools Grant was reporting a forecast underspend of £0.133m and the Housing Revenue Account was reporting a £nil forecast position.

The Cabinet noted that there were spend approvals of £144.873m on the Capital Programme which was forecasting an outturn of £130.535m, an overall variation of (£14.338m) against the latest spend approval. The figure included forecast re-phasing of £14.934m which brought the position to a net overspend of £0.596m at the end of Period 6.

With regard to the treasury activity which was summarised in the report, the Cabinet considered a change to the Minimum Revenue Provision Policy, the effect of which would mean instead of adopting to 'repay the principal' for pre 2008 debt on a 4% reducing balance basis, provision would be on a 2% straight line method .

It was further reported that the total establishment at the end of September 2014 was 2,034.84 Full Time Equivalent posts (FTE), a decrease of 28.41 FTE since June 2015 which was largely due to a data cleansing exercise undertaken by HR over the last three months where duplicated posts and vacant posts had been deleted.

It was also reported that Milton Keynes Service Partnership (MKSP) had reported a nil position and Milton Keynes Service Partnership (MKDP) was reporting a forecast underspend of (£0.117m) at the end of Period 6.

Councillor Middleton, the responsible Cabinet member for Resources and Commercialism, reported that the he had informed the Chief Executive of his disappointment in the overspends. However, he recognised that the overspend in the Children's Social Care Budget was largely due to the increase in Unaccompanied Asylum Children for which the Council had a duty of care. Councillor Middleton added that work was being carried out to improve the budget position for Home to School Transport which was adversely affected by transport of vulnerable children in temporary accommodation out of area, and that Homelessness issues had also had a significant impact on the budget. Councillor Middleton also

recommended that the Audit Committee be asked to examine the overspend on the A421 Pinch Point project.

Councillor Long, whilst supporting the recommendations, referred to the potential redesign on Adult Social Care Services that included reducing the reliance on Agency staff to help address the budget pressures and also to improve services.

Councillor Miles, Cabinet member for Children and School Improvement, whilst supporting the recommendations, noted that the Budget Scrutiny Committee had considered the 'Home to School Transport Service' on 24 September 2015 and that the Committee's Planning Group was mandated to raise the Committee's concerns with the Cabinet about the costs of the Home to School Transport Service as part of the budget setting process.

Councillor Marland, whilst supporting the recommendations, commented that Transportation Services were due to be brought back in house in due course which would allow opportunities to address public transport budget issues.

Councillor Bald asked for a written explanation of the forecast overspend position of £1.548m, and of how much of the drawdown of reserves related to a recurring spend year on year. She also asked with reference to the Asbestos contract, for a written estimate of the loss of profit and the provision in the reserves to cover this.

The Cabinet also heard from Councillor Brackenbury, Chair of Budget Scrutiny Committee during consideration of the recommendations

RESOLVED -

1. That the forecast outturn position of £1.548m, and the management actions currently underway to mitigate this position, be noted.
2. That the forecast outturn for the 2015/16 Capital Programme, and the management actions underway to address the overspend on the A421 scheme, be noted.
3. That the change to the Minimum Revenue Provision Policy for pre-2008 debt as set out in Annex Ai and note the treasury activity in the first six months of the year (Annex A) be approved
4. That the amount written off during the first six months of the year be noted
5. That the historic write-off beyond statute of limitations be approved
6. That the overall debt position for the Council be noted.
7. That the forecast outturn position for the Milton Keynes Service Partnership and Milton Keynes Development Partnership be noted.
8. That the movement in the establishment in year be noted.

9. That the Audit Committee be asked to carry out an investigation on the A421 Pinch Point Project.

C62

## **REVISIONS TO CAPITAL PROGRAMME AND SPEND APPROVALS REPORT**

The Cabinet considered the Revisions to the Capital Programme and Spend Approvals which requested spend approval for schemes in the 2015/16 Capital Programme and made amendments to existing schemes within the Programme.

It was reported that approval was being sought to amend the resource allocation and spend approval by realigning the Transport Programme to reduce resource allocation by £1.67m in 2015/16 to create a provision for the potential overspend on the A421 Pinch Point project.

Councillor Middleton indicated that the programme of the various schemes in the Capital Programme had been scrutinised closely with senior officer colleagues. Councillor Middleton also listed the new schemes in the programme which included improving accessibility at the Longrigg Outdoor Residential Centre for children and young people with learning difficulties and disabilities and upgrades to electrical street furniture. A suggestion to use reflective signage was also being considered and costed proposals would be brought to Cabinet in due course.

The Cabinet heard from Councillor Dransfield in connection with the amount allocated to the Shenley Leisure Centre New Sports Hall project that was scheduled to be considered by Procurement and Commissioning the following week.

Councillor Middleton, responsible Cabinet member for Resources and Commercialism, indicated in response to a request from Councillor Bald, that a written explanation to all Councillors in respect of a breakdown of the amount of £843k Smarter Choices Single Capital Pot Grant and how this would be re-phased would be provided.

The Cabinet also heard from a member of the public during consideration of this item.

### **RESOLVED -**

1. That the additions to resource allocation and spend approvals for the 2015/16 Capital Programme be approved.
2. That the amended resource allocation and spend approvals for the 2015/16 Capital Programme be approved.
3. That the funding position for the 2015/16 Capital Programme be noted.
4. That the current position of the 2015/16 Tariff Programme be noted.

## INCREASING THE SUPPLY OF PROPERTY FOR HOMELESS HOUSEHOLDS

The Cabinet considered increasing the supply of property for homeless households to meet the Council's statutory duty to provide accommodation to households that it accepted as statutory homeless and that had no immediate settled housing.

It was reported that homelessness in Milton Keynes was growing and a key feature of this was the lack of supply. The report included information on the schemes currently being investigated and sought endorsement to the idea of setting up a cross-party working group to share ideas and agree solutions that would potentially increase the supply of accommodation for homeless households.

It was also reported that failure to respond to the homelessness crisis would result in continued high spending on Bed and Breakfast accommodation, which increased pressures on Temporary Accommodation, Housing Benefit Subsidy, and Home to School Transport budgets. These pressures, together with savings anticipated from measures that had been implemented and were imminent, had been included in the Medium Term Financial Plan for 2016/17 to 2019/20.

Councillor O'Neill, Cabinet member for Housing and Regeneration summarised that homelessness was a problem nationally but the situation in Milton Keynes was exacerbated by the fast growing population. Councillor O'Neill also indicated that a range of solutions was required to be adopted to deal with the differing needs of the range of categories of homeless people, and the differing possibilities to help in different parts of the housing market.

The Cabinet considered that the option to do nothing was not viable as there was insufficient alternative permanent and temporary accommodation available locally, and the Council would have to continue to place homeless households in unsatisfactory and disruptive environments which were expensive and largely out of area, with an increasing cost to the General Fund.

The Cabinet recognised that an increase in the supply of property for homeless households and agree of shared solutions require political cross-party support. The Cabinet also recognised that not all schemes could or would come to fruition. Nevertheless, various schemes provided a good platform for increasing the supply of accommodation for homeless households.

The Cabinet heard from Councillors Brackenbury and Morris during consideration of the recommendations.

### RESOLVED:

1. That a cross party approach be enabled to finding further solutions that will increase the supply of properties for homeless households;
2. That a cross-party working group be set up to establish and agree shared solutions.

**C64**

### **CHOICE BASED LETTINGS - NEXT STEPS**

Further to Minute C40 of the meeting held on 14 September 2015, the Cabinet gave further consideration to the actions to the recommendations of the Housing Allocations Scheme Task and Finish Group in respect of the introduction of 'Choice Based Lettings'.

It was reported that the Task and Finish Group had considered the current arrangements for letting properties; identified key differences to Choice Based Lettings, and set out what was required to introduce a Choice Based Lettings Scheme and the timeframe for doing so.

Councillor O'Neill explained that Choice Based lettings allowed applicants to only bid or apply for any home to which they were matched (e.g. a single person would not be eligible for a three-bedroom house). The successful bidder was the one with the highest priority under the scheme. As part of the scheme, the local authority provided feedback that helped applicants to assess their chances of success in making 'bids'.

The Cabinet considered that the preferred option to carry out an evaluation of all schemes that included Choice Based Lettings should be progressed and a report on proposals for consultation and implementation be brought to the Cabinet meeting scheduled for December 2015.

**RESOLVED:**

1. That officers be requested to investigate a Choice Based Lettings system and the implications of its introduction
2. That a further report be brought to Cabinet in December 2015 to authorise consulting on proposals with a view to implementing a new scheme in March 2016.

**C65**

### **PROCUREMENT AND COMMISSIONING**

**RESOLVED -**

That the Minutes of the meetings of Procurement and Commissioning held on 18 August 2015 be received.

**C66**

### **EXCLUSION OF THE PUBLIC AND PRESS**

That the public and press be excluded from the meeting by virtue of Paragraph 3 (Information relating to the Financial or Business Affairs of the Authority) of Part I of Schedule 12A of the Local Government Act 1972, in order that the meeting may consider the following the Annex to the Investment Property Fund for Temporary Accommodation.

**C67**

### **INVESTMENT PROPERTY FUND FOR TEMPORARY ACCOMMODATION**

The Cabinet considered recommending to Council that it invested in a property fund for temporary accommodation in order to assist the Council discharge its duty to provide temporary accommodation to households that it accepted as statutory homeless and that had no immediate settled housing.



It was reported that providing temporary accommodation had cost the Council £979k in the previous year, and due to an increase in demand was forecast to cost an estimated £1.6m in 2015/16. One of the options to try and address the homeless situation was to invest £5m in Real Lettings Property Fund which would be match funded by £5m from Big Society Capital to purchase a portfolio of up to 70 flats on the Milton Keynes open market. It was anticipated that the scheme would result in a net saving to the Council of up to £3m in bed and breakfast accommodation costs and the investment would provide a financial return to the Council which would largely offset the cost of borrowing.

The Cabinet considered the alternative options which included 'doing nothing', but this was disregarded as there was insufficient alternative temporary accommodation available locally and the Council would have to continue to place homeless households in expensive, unsatisfactory and disruptive environments which were largely out of area bed and breakfast accommodation with an increasing cost to the general fund and it would also ignore a low-risk investment opportunity to reduce bed and breakfast accommodation costs.

Another option, to purchase Properties for Temporary Accommodation on the Open Market, would require the Council to invest at least £10m for the purchase of up to 70 properties. Such a purchase programme would take time and the Council would bear the risk on its investment.

The recommended option to Invest in a Real Lettings Property Fund managed by Resonance UK, which was a social investment company, would provide a speedier delivery of up to 70 properties over 18 months to address the urgent need for temporary accommodation for homeless households, and reduce reliance on expensive bed and breakfast accommodation, and be a low-risk investment for the Council.

The Council's investment would be initially for 5 years after which Council would then have an option to extend its investment for 2 years, withdraw, or buy out the match funder. The Real Lettings Fund was open to other local authorities outside of London and the rate of return would be linked to the overall performance of the fund. The Council's equity would also be a proportion of the overall fund, not the assets which were in Milton Keynes

Councillor O'Neill, Cabinet member for Housing and Regeneration, indicated that in addition to supplying much needed accommodation, the option being considered with Resonance UK would, once a placement fee of £3000 was paid by the Council, provide a comprehensive support package to help each family set up and manage its tenancy and move onto permanent housing. The option would, in addition to proving temporary accommodation, assist in reducing the costs of Home to School Transport.

Councillor Marland indicated that the cause of homelessness was in part a lack of skills to get paid work, and the value added by this

proposal was that families would be supported into work. Councillor Marland added that this was one of many solutions to the homelessness problems which provided a sustainable outcome.

The Cabinet heard from Councillors Bald, Brackenbury and Ganatra during consideration of the item.

RESOLVED –

1. That the Council be recommended to:
  - (a) approve prudential borrowing of £5m to fund a £5m investment in the Real Lettings Property Fund,
  - (b) approve an addition to the 2015/16 Capital Programme Resource Allocation and Spend Approval of £5m; and
  - (c) amend the Treasury Management Strategy by inclusion of joint property investments within the class of permitted investments.
2. That, subject to the Council approving the additional expenditure, the Corporate Director of Place be authorised, in consultation with the Corporate Director of Resources, to agree the detailed terms of investment and complete the agreement with Resonance UK (the Real Lettings Property Fund Manager).

THE CHAIR CLOSED THE MEETING AT 9.21 PM